

Canadian Radio-television and Telecommunications Commission

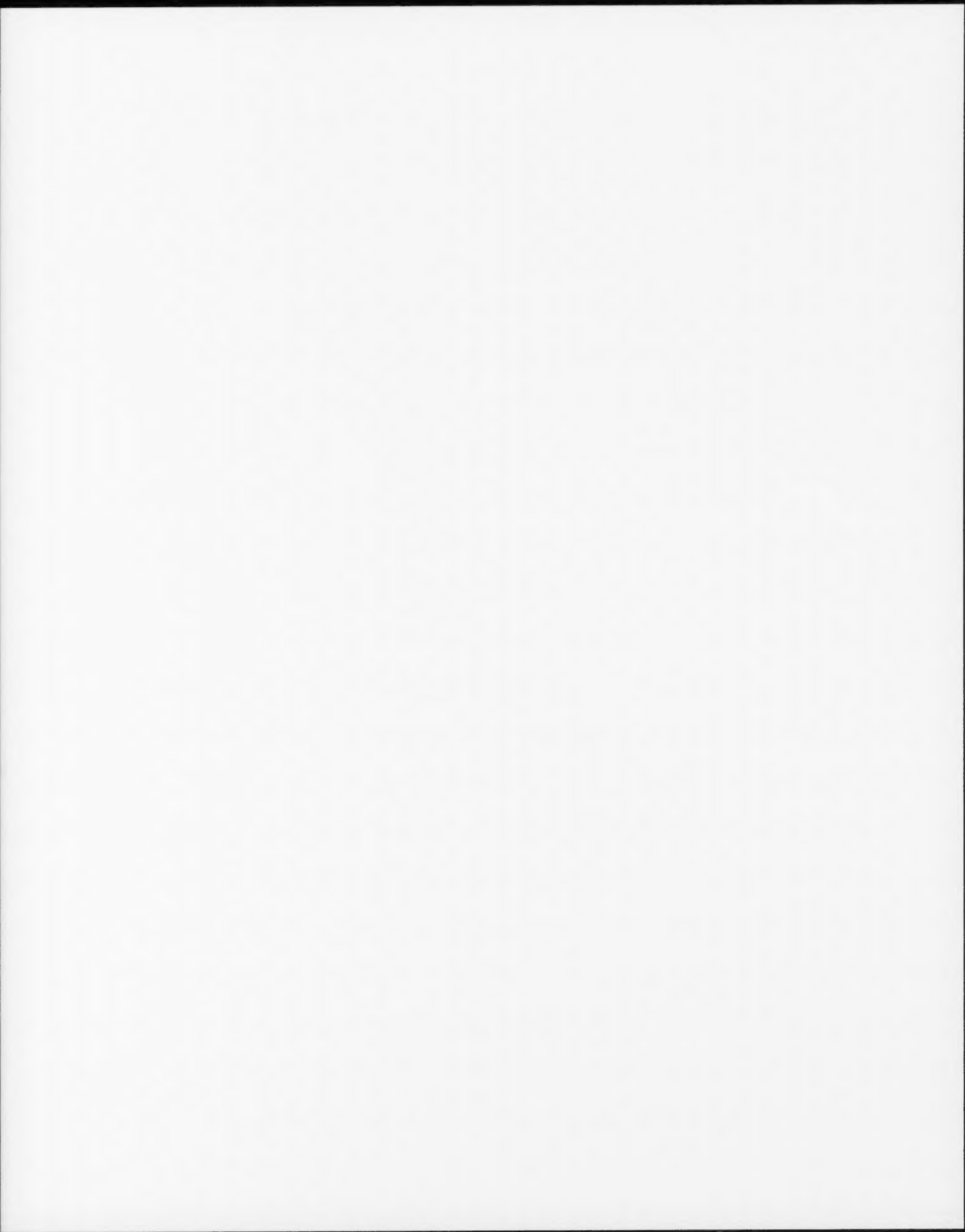
2013-2014

Report on Plans and Priorities

The Honourable James Moore, P.C., M.P.
Minister of Canadian Heritage and Official Languages

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Minister's Message

The organizations of the Canadian Heritage portfolio enrich the lives of Canadians in many ways. They make the most of the possibilities offered by technology to preserve and celebrate our heritage and our culture; they encourage the full participation of Canadians in society; and they stimulate creativity, innovation, and the economy. As a portfolio organization, the Canadian Radio-television and Telecommunications Commission (CRTC) will pursue its efforts to promote Canadian arts, culture, and heritage.



The CRTC oversees a communication industry that spurs innovation, creates economic opportunities, and enables Canadians to embrace and contribute to their culture and heritage. One of the CRTC's goals is to ensure that Canadians are offered a healthy and competitive industry with high-quality services. In the past year, the CRTC has sharpened its focus on the interests of Canadians as citizens, creators and consumers. The activities included in this report illustrate this commitment to the needs and interests of Canadians.

During the coming year, the CRTC will review its regulatory policies for commercial radio services, as well as those for ethnic radio and television services. It will also consider whether the accessibility of telecommunications services to Canadians with disabilities could be improved. Finally, the CRTC will provide Canadians with tools to help them make more informed decisions when purchasing communications services.

As Minister of Canadian Heritage and Official Languages, I invite you to read the 2013–2014 *Report on Plans and Priorities* prepared by the CRTC. This report demonstrates the CRTC's commitment to achieving the goals of the Canadian Heritage portfolio and the Government of Canada.

The Honourable James Moore, P.C., M.P.
Minister of Canadian Heritage and Official Languages

Chairman's Message

I am pleased to present the Canadian Radio-television and Telecommunications Commission's (CRTC) *Report on Plans and Priorities* for 2013-2014. This report describes the main activities that the CRTC will carry out, within its legislative mandate defined by Parliament, to ensure Canadian citizens, creators and consumers have access to a world-class communication system.



Within such a system, Canadians expect to have access to compelling and diverse creative content, and be able to connect to innovative communications services at reasonable prices. They also expect the communication system to enhance their safety and interests. The following examples illustrate how the CRTC will make sure that the communication system responds to the needs of Canadians.

In 2013, the CRTC will introduce a code for wireless services, such as cellphones and other personal mobile devices. Many Canadians who subscribe to such services find that the contracts they are asked to sign are hard to understand. We have engaged in broad discussions with Canadians to see how the contracts could be made clearer. As a result, the wireless code will contain a list of terms and conditions that companies must include in their contracts.

In the coming months, the CRTC will hold a public hearing to review an application regarding BCE's acquisition of some of Astral Media's radio stations and pay and specialty television channels. In October 2012, the CRTC denied BCE's initial application, expressing concern about the impact such a merger would have on the communication industry. We will examine whether the proposed transaction serves the interests of Canadians.

The CRTC will also review the telecommunications services that Northwestel provides to northern Canadians. We look forward to travelling to the North in June 2013 to hear different views on Northwestel's plan to modernize its network. Through this proceeding, we will identify actions that need to be taken so that northerners have access to high-quality and reliable services comparable to those available elsewhere in the country.

To enhance the privacy of consumers, the CRTC will promote compliance with the telemarketing rules and take enforcement action. Our growing partnerships with foreign enforcement agencies through the International Do Not Call Network will enable us to conduct effective investigations of telemarketers operating beyond our borders. At the same time, we will

initiate outreach activities to increase the Canadian public's awareness of the anti-spam legislation.

We will pursue our efforts to put Canadians at the centre of their communication system by considering their needs and interests. We will begin improving our website so that Canadians can quickly find the relevant information they seek in plain language in order to participate in our proceedings.

Finally, within this report, the CRTC has charted the course it intends to follow in the coming months and years. I invite Canadians to learn about our activities –which in the future will be presented under the pillars –create, connect, protect– and to share their ideas and views through our public proceedings. Together, we can ensure that our world-class communication system continues to meet the needs of citizens, creators and consumers.

Jean-Pierre Blais
Chairman and Chief Executive Officer

Section I: Organizational Overview

Raison d'être

The Canadian Radio-television and Telecommunications Commission (CRTC) is an administrative tribunal. It implements its mandate as set out in the *Broadcasting Act*, the *Telecommunications Act* and Canada's anti-spam legislation in order to provide Canadians with a world-class communication system.

The CRTC reports to Parliament through the Minister of Canadian Heritage and Official Languages.

Responsibilities

The CRTC's legislative authority is derived from the following acts:

The Canadian Radio-television and Telecommunications Commission Act, 1985

Bell Canada Act, 1987

Broadcasting Act, 1991

Telecommunications Act, 1993

An Act to Promote the Efficiency and Adaptability of the Canadian Economy by Regulating Certain Activities that Discourage Reliance on Electronic Means of Carrying out Commercial Activities, and to Amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act, and the Telecommunications Act, 2010. Referred to as "Canada's Anti-Spam legislation (CASL)" in this document, this Act received Royal Assent in 2010 but is not yet proclaimed in force.

The CRTC is responsible for regulating and supervising Canada's broadcasting and telecommunications systems in the public interest, based on policy objectives set out in the *Broadcasting Act* and the *Telecommunications Act*. The CRTC also has new responsibilities under Canada's anti-spam legislation (CASL).

The CRTC fulfills its responsibilities through a number of interrelated activities, including:

- consulting and informing Canadians;
- deciding on mergers, acquisitions and changes of ownership;
- approving tariffs and certain agreements for the telecommunications industry;
- issuing, renewing and amending licences for broadcasting undertakings;
- administering and enforcing rules for the National Do Not Call List (National DNCL);
- resolving competitive disputes;
- monitoring, assessing and reporting on broadcasting and telecommunications industries;
- responding to public inquiries and complaints;

- facilitating industry co-regulation and self-regulation through consultations, committees and working groups; and,
- administering and enforcing applicable provisions of CASL.

The CRTC strives to conduct its activities in a manner that is fair and transparent. It works to keep its regulatory policies responsive by taking into account evolving consumer and business needs, emerging technologies and market developments.

The CRTC reports to Parliament through the Minister of Canadian Heritage and Official Languages, and is listed in Schedule 1.1 of the *Financial Administration Act*. Its operations are subject to Government of Canada policies and guidelines, which ensure management excellence and accountability to Canadians.

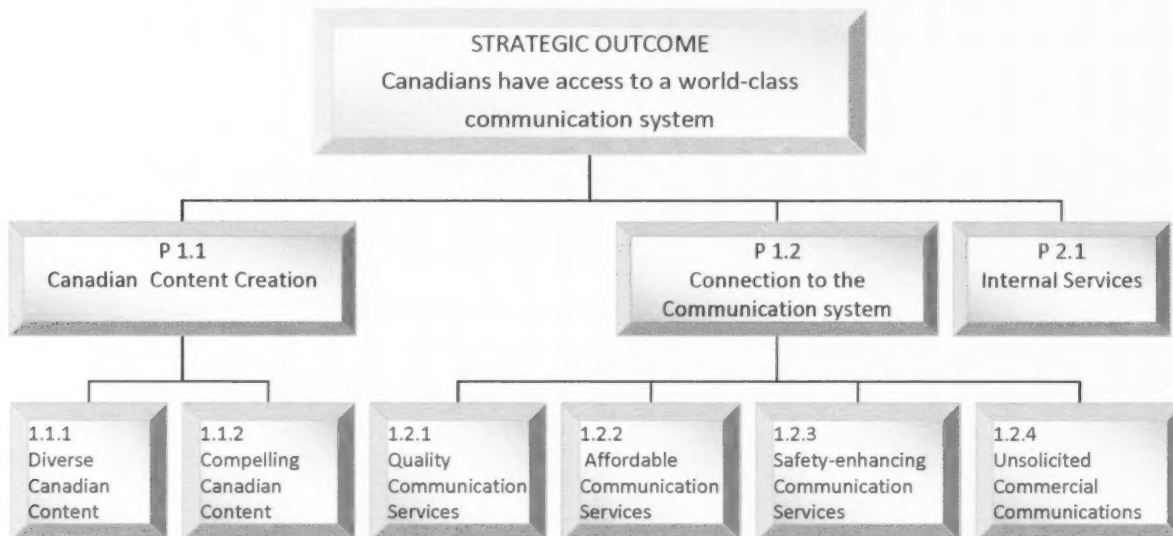
Did you know?

Revenues of Canada's telecommunications and broadcasting sectors were \$59.3 billion in 2011.

Source: 2012 CRTC Communications Monitoring Report

Strategic Outcome and Program Alignment Architecture (PAA)

In 2012, in its Three-Year Plan, the CRTC established pillars and priorities which will assist the organization in achieving its mandate. To align the CRTC's Management Resources and Results Structure with this new approach, the CRTC has amended its Strategic Outcome and PAA. The two former program activities: Canadian Broadcasting and Canadian Telecommunications have been replaced by two new programs: Canadian Content Creation and Connection to the Communication system.¹ Six new sub-programs have also been added to the PAA.



During 2013-2014, the CRTC will focus its efforts on ensuring that Canadians have access to a world-class communication system.

Organizational Priorities

To strengthen the Commission's programs and activities, mitigate strategic risks and effectively deliver its core programs, the CRTC has set out six priorities toward which it will direct resources in 2013-2014. These are:

- Sharpening the focus on Consumers
- Ensuring that the Canadian broadcasting industry contributes to the creation and broadcast of diverse Canadian programming
- Improving access to communications services for northern Canadians and Canadians with disabilities
- Fostering competition for telecommunications services

Did you know?

In 2011, the average Canadian family spent more than \$180 per month on communications services.

Source: 2012 CRTC Communications Monitoring Report

¹ In 2013, the CRTC will propose an additional program to its PAA for 2014-2015. This program will encompass activities related to *Protect*.

- Strengthening the effectiveness and sustainability of Canada's regime for unsolicited communications
- Focusing on management excellence through an integrated planning and reporting framework

The following table summarizes the Commission's priorities and illustrates how their associated activities are expected to contribute to the strategic outcome.

Priority	Type	Programs
Sharpening the focus on Consumers	New	All Programs
Description		
Why is this a priority? Canadians are at the centre of the communications system. Consumers expect a communications system that provides quality, choice and affordability. Informed and empowered consumers are key to the functioning of healthy markets. The CRTC is committed to providing consumers with the tools they need to make choices in a complex competitive market and to ensuring that consumers' views are taken into consideration when making decisions. This means ensuring information is easily available where, when and how consumers need it. Focussing on the consumer also involves setting new expectations for communications service providers in a manner that does not unduly impair their ability to innovate, compete and provide essential services to Canadians. Plans for meeting the priority Under this priority the CRTC will: • Implement a mandatory Code of Conduct for mobile wireless companies to provide an additional tool for consumers to better understand their rights, as well as their service providers' responsibilities with respect to mobile wireless services, in order to participate in the competitive market in an informed and effective manner. The CRTC will determine the contents of the code, to whom the code should apply, how the code should be enforced and promoted, and how the code's effectiveness should be assessed and reviewed. Moreover, the Commission plans to foster an understanding of the code once it has been established through online enhancements planned for the CRTC website. • Implement a consumer "lens" to assess the impact of policy and operational decisions on consumers, so their perspective is better incorporated into all CRTC's activities, including in its decision-making. • Deliver outreach and partnership activities to better inform consumers and enhance their participation in CRTC processes. • Enhance the CRTC's digital presence by redesigning its website, leveraging initiatives		

such as social media and online consultations.

Priority	Type	Program and sub-program
Ensuring that the Canadian broadcasting industry contributes to the creation and broadcast of diverse Canadian programming.	New	1.1 Canadian Content Creation 1.1.1 Diverse Canadian Content – Canadians can access diverse Canadian content on a variety of platforms 1.1.2. Compelling Canadian Content – Ensuring Canadians can access Canadian programming that is compelling and reflective of Canadian values and attitudes

Description

Why is this a priority?

The CRTC's legislative mandate stipulates that Canadians should have access to a diversity of programming, particularly news and information, to help them participate fully in the democratic, economic, social and cultural life of their country. Having access to programming from a wide variety of independent sources helps to ensure that Canadians see the world from multiple viewpoints. All Canadians, including those living in Official Language Minority Communities (OLMCs), should see themselves reflected in that programming. The CRTC is required by Parliament to ensure that the broadcasting system provides Canadians with access to national and local programming, that reflects Canada's diversity from a wide range of ethno-cultural backgrounds, and programming that is supplied by a variety of providers.

- Broadcasters dedicated to programming in languages other than English, French or aboriginal languages are important contributors to diversity. The CRTC seeks to ensure that the Ethnic Broadcasting Policy of 1999 remains responsive to changing Canadian demographics and the means by which Canadians access such programming.
- While the protection for categories or "genres" of programming for specialty television services has been an important tool for ensuring diversity in the broadcasting system, its enforceability and relevance is under increased pressure due to the proliferation of new programming options for viewers. The CRTC seeks to ensure that its approach to Genre Protection Policy continues to contribute to diverse programming.
- Broadcasters that do not form part of large corporate ownership groups are key players in the provision of diverse Canadian programming. The CRTC seeks to ensure that programming from these independent broadcasters contributes to the achievement of the objectives of the *Broadcasting Act* and is appropriately distributed. Services seeking mandatory distribution that are determined to be of exceptional importance to the achievement of the Act's objectives may receive the carriage they require to fulfill their programming commitments.

The CRTC is required by Parliament to ensure that each element of the broadcasting system

contributes to the creation and presentation of Canadian programming, and that each broadcasting undertaking makes the greatest practical use of Canadian resources. Regulation of Canada's broadcasting system is based on a balance of regulatory obligations and privileges. Market forces alone would not provide all the programming Canadians expect of their broadcasting system.

- Commercial radio broadcasters are required to provide programming that reflects the values and attitudes of Canadian listeners, including linguistic duality. The CRTC seeks to ensure this sector continues to provide programming that meets the interests of Canadians and contributes to the production of Canadian music.
- The CRTC's regulatory policy Elements Assessed by the Commission in Considering Applications for the Transfer of Ownership or Control of Broadcasting Undertakings ("Tangible Benefits Policy") continues to be an important mechanism for ensuring that changes of ownership in the broadcasting system are in the public interest. The CRTC seeks to streamline the Tangible Benefits Policy dating to 1989, and provide additional guidance and clarity to the industry so that the benefits proposed by applicants seeking approval for ownership changes will yield measurable improvements to the communities serviced by the broadcasting undertaking and to the Canadian broadcasting system.

Plans for meeting the priority

Given rapidly changing demographic and technological environment in Canada, the CRTC will review its regulatory policies in support of ethnic content, independent broadcasters, and

specialty services 'genres' as key contributors to diversity in Canadian programming, to ensure the responsiveness and relevance of these tools. The OLMCs will continue to be systematically and regularly kept informed of all Commission proceedings that affect them, to ensure that they have an opportunity to participate. Under this priority the CRTC will:

- Review the Ethnic Broadcasting Policy through a public consultation process.
- Review the Genre Protection Policy for specialty television services through a public consultation process.
- Conduct a public consultation process to renew broadcasting licences for independent broadcasters not owned by satellite or cable distribution companies.
- Consider new applications from services seeking mandatory distribution.
- Review the Commercial Radio Policy for the French-language and English-language markets through public consultation processes.
- Review of certain aspects of the Tangible Benefits Policy through a public consultation process.

Did you know?

Canadian broadcasters and distributors contributed \$3.1 billion to the production of Canadian programming in 2011.

Source: 2012 CRTC Communications Monitoring Report

Priority	Type	Program and sub-program
Improving access to communications services for northern Canadians and Canadians with disabilities	Ongoing	1.2 Connection to the Communication system 1.2.1 Quality communications services

Description

Why is this a priority?

Canadians expect to have high-quality, affordable telecommunications services, regardless of where they live or whether they have disabilities.

- Northwestel provides telecommunications services in the Yukon, Northwest Territories, Nunavut, northern British Columbia and northern Alberta. In 2011, the CRTC stated its concern that Northwestel had failed to make the necessary investments in its network, as evidenced by the company's aging infrastructure and the unavailability of services in many remote communities. In response, Northwestel developed a comprehensive plan to modernize the company's network infrastructure. The CRTC seeks innovative solutions for northern communities to have access to telecommunications services comparable to those available in the rest of the country.
- People with disabilities, in particular members of the Deaf community, have expressed their view that video relay services (VRS) provides access to essential communication services for sign language users and their desire to see VRS implemented in Canada. In May 2012, the Commission issued a press release stating that further investigation was needed to obtain information about international initiatives, technological advancements, projected use and costs of video relay services before it made a decision as to whether a proceeding is warranted.

Plans for meeting the priority

Under this priority, the CRTC will:

- Review the regulatory framework for Northwestel, including the examination of a comprehensive plan to modernize the company's network infrastructure, through a public consultation process.
- The Commission will issue its decision on whether to hold a proceeding on VRS, setting out next steps, if any.

Did you know?

10.7 million Canadian households had an Internet connection in 2011.

Source: 2012 CRTC Communications Monitoring Report

Priority	Type	Program and sub-program
Fostering competition for telecommunications services.	New	1.2 Connection to the Communication system 1.2.2 Affordable communications services

Description

Why is this a priority?

Canadians benefit when there is fair and robust competition in telecommunications, whether that competition is in the retail markets that are largely forborne from regulation or in wholesale markets. Competing local, long distance and wireless carriers, and resellers, such as high speed Internet Service Providers, rely on a variety of services in order to connect with each other, configure their own networks and provide services to their end-users (businesses, institutions and individuals). The pricing of these wholesale services has an impact on the ability of the competing carriers and resellers to succeed in the marketplace. The CRTC seeks to ensure that the approach and methods used to establish wholesale prices remains appropriate to foster healthy competition. It does so in light of its legislative mandate and the 2006 Telecommunications Policy Direction.

Plans for meeting the priority

Under this priority, the CRTC will:

- Review the process to establish wholesale prices through a public consultation process. The review will explore different pricing approaches, their impact and effectiveness.

Priority	Type	Program and sub-program
Strengthening the effectiveness and sustainability of Canada's regime for unsolicited communications	Previously Committed To	1.2 Connection to the Communication system 1.2.4 Unsolicited Commercial Communications

Description

Why is this a priority?

Parliament has mandated that Canadians receive fewer unsolicited calls from telemarketers. The CRTC promotes compliance with, and enforces the Unsolicited Telecommunications Rules (UTR), of which include: the National Do Not Call List Rules; the Telemarketing Rules; and, the Automatic Dialing and Announcing Device Rules. The CRTC responds with effective

compliance and enforcement action and to ensure that the UTRs remain responsive to current needs and market conditions.

- Unsolicited telecommunications calls may originate from anywhere in Canada or abroad. The CRTC engages in national and international partnerships to investigate complaints, monitor cases and take appropriate compliance and enforcement actions that enhance the safety and interests of Canadians.

Did you know?

Since the National Do Not Call List was created in 2006, the CRTC has collected over \$2.2 million in penalties.

Over 10 million Canadians have registered with the National DNCL.

*Source: National DNCL
Annual Report 2012*

- The CRTC had been receiving temporary federal funding for its compliance and enforcement activities until a permanent funding solution was identified. In 2012, the CRTC received approval to recover these costs from the telemarketing industry in fees, collected through the revenue generated from selling subscriptions to access and download the National DNCL by the Operator of the List.

The growth and prosperity of the digital economy is dependent on Canadians' confidence in engaging in commercial transactions in the electronic marketplace. The goal of CASL is to regulate malicious or unsolicited forms of commercial electronic activity that erode consumer faith in electronic media as a venue for legitimate and safe commercial activities. Among other things, CASL addresses the sending of commercial electronic messages (spam), the installation of computer programs such as malware and the alteration of transmission data (network re-routing) without consent.

- The CRTC is taking measures to ensure that the processes, systems, tools and infrastructure for CASL are ready when it comes into force so that it achieves the consumer protection objectives.
- Because spam and other electronic threats may originate from across Canada or other countries, national and international partnerships will help the CRTC to investigate complaints, monitor cases and take appropriate enforcement actions that enhance the safety and interests of Canadians.

Plans for meeting the priority

Under this priority, the CRTC will:

- Conduct a review of the UTRs through a public consultation process, to implement revised rules in 2013-2014.
- Implement the *Unsolicited Telecommunications Fees Regulations* which would authorize the National DNCL List Operator to recover the CRTC's compliance and enforcement costs from the revenue generated from selling subscriptions to access and download the National DNCL, which will come into effect on April 1, 2013.
- Promote and strengthen the International Do Not Call Network as the CRTC continues to serve as the co-chair of the Network and leverage the existing partnerships among the 15 member countries.

- Work with domestic and international enforcement and regulatory agencies to enhance information sharing, improve target identification and selection, and coordinate operational responses.
- Undertake outreach activities to heighten awareness and educate consumers and private sector industries on the UTRs, so that they may also protect themselves from unsolicited telecommunications, spam and other electronic threats.
- Continue to develop and refine investigation and enforcement processes, systems and tools for its new mandate under CASL, including the implementation of major infrastructure developments, such as the Spam Reporting Centre.
- Pursue investigations of potential instances of non-compliance and promote compliance with the new legislation, once it comes into force. Activities will include monitoring spam and other on-line threats, investigating complaints and taking appropriate enforcement actions to ensure compliance of its rules and regulations.
- Build domestic and international enforcement agreements and partnerships to provide the CRTC with access to information about spam and other on-line threats, and enable it to engage in cross-border cases. Undertake public education and outreach activities.

Priority	Type	Programs
Focusing on management excellence through an integrated planning and reporting framework	New / Previously committed to	All Programs

Description

Why is this a priority?

Canadians deserve a federal communications regulator that is accountable to them and worthy of their trust. To deliver on planned activities in an evolving communications environment, the CRTC intends to build a strengthened corporate planning and reporting framework. This framework will enable the organization to more effectively establish planned activities that achieve the expected results desired, while monitoring progress towards achieving those results and adjusting activities during the year as required to achieve results for Canadians. Such a responsive planning and reporting framework is dependent on sound management controls, processes and practices, and the CRTC's ability to attract, develop and retain employees with the necessary skill sets.

Plans for meeting the priority

Under this priority, the CRTC will:

- Review and assess its internal financial systems and controls;

- Strengthen its commitment to corporate planning and reporting, and respond to a number of areas related to planning and reporting that were identified as areas for improvement in the evaluation conducted under the 2012 Management Accountability Framework exercise. Tasks include developing and implementing an IM / IT Strategic Plan, strengthening our integrated risk management approach (including the development of a Corporate Risk Profile), and strengthening our governance framework and integrated business planning process, through the development and implementation of an Integrated Business Plan;
- Adopt people management strategies that support its workforce, organizational priorities, and commitment to management excellence, as outlined in its Human Resource Management Plan 2012-15. Tasks include performing a talent management exercise, developing succession plans for key positions, continuing the job rotation program, reviewing and updating internal training programs, and the delivery of strategic thinking and leadership training programs;
- Continue its review of its organizational structure and priorities, with a goal of reducing its operating costs by at least 5% by 2015-2016 and consequently reducing the burden of fees that the industry has to pay.

Risk Analysis

The CRTC's success in achieving its intended results may be affected by developments that are partially or entirely beyond its control. High level features of the CRTC's internal and external environments affect its exposure to risk. These include:

• **Growing Importance of Communication Services**

Canadians increasingly rely on a range of communications services for purposes including conducting business, learning, receiving government and emergency services. For example, access to broadband services is becoming essential for Canadians to participate in the digital economy. In 2011, 54% of Canadian households subscribed to Internet speeds of 5 megabytes per second or higher. A functioning communications market is imperative to most Canadians (including individual and business consumers), and failures in the market may disproportionately affect vulnerable and disadvantaged Canadians.

• **Responding to Consumer Needs**

Parliament requires that the CRTC works in the public interest, and the CRTC has made a public commitment to sharpen its focus on individual and business consumers. Demographic shifts, including an aging population and growing ethnocultural diversity, are changing the face of Canada, and what Canadians need from their communications services. The CRTC has focused its operations on collecting industry data, it is less equipped to gather and analyze quantitative and qualitative data from a fragmented consumer sector. To respond to consumer needs in its policies and operations, the CRTC will need to better integrate the consumer perspective into its decisions.

- **Growing Complexity**

In an environment where rapidly advancing technologies affect all industries, nowhere is it more apparent or having a bigger impact on Canadians than in the communications sector. Constant innovation and technological change based largely on Internet Protocol (IP) networks are driving a proliferation of businesses and new business models providing content and services. As a result, the CRTC faces issues that are increasingly complex and horizontal, and that may develop quickly.

- **Data Collection and Analysis**

Many actors in the communications system in Canada are regulated in a light-handed manner including: Telecommunications Service Providers that the CRTC has forborne from regulation to foster competition; Digital Media Broadcasting Undertakings and some small cable companies that the CRTC has exempted from licensing because compliance with the regulations would not contribute in a material manner to the goals of the *Broadcasting Act*; or entities such as resellers of telecommunications services. Also, telemarketers and online marketers do not require CRTC permission to operate; in addition, these actors may be based outside of Canada. As a result, the CRTC may have a limited picture of the communications environment, which affects its analysis.

- **New Responsibilities**

The CRTC has recently been given responsibility for the major new initiative of enforcement of the CASL. As it assumes this legislative mandate, the CRTC faces a wide range of policy and operational challenges, including human resources capacity.

- **Aging Workforce**

Like many other employers, the CRTC has an aging workforce. Many members of management are currently eligible for retirement, and more will be eligible in the next 2-5 years. Throughout this transition period, the CRTC will face challenges to transfer knowledge and maintain the experience base needed to deliver services.

- **Vulnerability of Information**

Electronic attacks, and/or natural or man-made disasters may cause partial or catastrophic failure of corporate information management/information technology infrastructure. The CRTC may be at a higher risk of attacks, given its active role in investigations as part of its compliance and enforcement measures.

Risk Mitigation Strategy

The CRTC recognizes the need to manage the risks described above in its external and internal environment in order to achieve its desired results. In 2013-2014, the CRTC will formalize its approach to managing risks as described under the "Management Excellence" priority. To identify and prioritize external risks, the CRTC undertakes ongoing activities including research, monitoring and data-sharing partnerships. It will undertake an Environmental Scan and an analysis of strengths, weaknesses, opportunities and threats. The CRTC will also implement a consumer impact analysis tool to build a stronger evidence base for consumer needs. In response

to risks related to the vulnerability of information, the CRTC will ensure: adherence by staff to security policies; timely implementation of safeguards, patches, and updates; the updating and implementation of a Business Continuity Plan, with regular reviews and updates; that physical safeguards, data redundancy and offsite backup is in place; and the accreditation of the Disaster Recovery Plan in 2013.

Planning Summary

Financial Resources (Planned Spending — \$ millions)

Total Budgetary Expenditures (Main Estimates) 2013-14	Planned Spending 2013-14	Planned Spending 2014-15	Planned Spending 2015-16 ²
57.7	57.7	57.4	57.4

Human Resources (Full-Time Equivalents—FTE)

2013-14	2014-15	2015-16
438	438	438

Planning Summary Table

In 2012, in its Three-Year Plan, the CRTC established pillars and priorities which will assist the organization in achieving its mandate. To bring the CRTC's Management Resources and Results Structure (MRRS) into line with this new approach, the CRTC has amended its Strategic Outcome and PAA. The two former program activities of Canadian Broadcasting and Canadian Telecommunications have been replaced by two new programs: Canadian Content Creation and Connection to the Communication system. The actual spending for fiscal years 2010-2011 to 2011-2012 and the forecasted spending for 2012-2013 reflect the activity structure before the PAA amendment. The planned spending has been reallocated to reflect this new PAA which takes effect April 1, 2013.

² As noted in the priority of Focusing on Management Excellence through an integrated planning and reporting framework, the CRTC will be reviewing its organizational structures and priorities with a goal of reducing its operating costs by at least 5% by 2015-2016. The CRTC anticipates that a strategy to meet this goal will be finalized in 2013-2014. The figures in this table do not take into consideration the planned spending reduction.

(\$ millions)

Strategic Outcome	Program	Actual Spending 2010– 2011	Actual Spending 2011– 2012	Forecast Spending 2012– 2013	Alignment to Government of Canada Outcomes
Canadians have access to a wide variety of high quality, Canadian produced programming and to reliable, affordable and high-quality telecommunication services	Canadian Broadcasting	20.0	21.3	20.1	A vibrant Canadian culture and heritage
	Canadian Telecommunications	19.1	21.9	21.5	A fair and secure marketplace
Sub-total		39.1	43.2	41.6	

(\$ millions)

Strategic Outcome	Program	Planned Spending			Alignment to Government of Canada Strategic Outcomes
		2013-2014	2014-2015	2015-2016	
Canadians have access to a world-class communication system	Canadian Content Creation	20.9	20.8	20.8	A vibrant Canadian culture and heritage
	Connection to the Communication System	23.4	23.3	23.3	A fair and secure marketplace
Sub-Total		44.3	44.1	44.1	

Description of Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Human Resources Management Services; Financial Management Services; Information Management Services; Legal; Information Technology Services; Real Property Services; Material Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include those activities and resources that apply across an organization.

Planning Summary Table for Internal Services (\$ millions)**Planning Summary Total (\$ millions)**

Strategic Outcome, Programs, and Internal Services	Actual Spending 2010–2011	Actual Spending 2011–2012	Forecast Spending 2012–2013	Planned Spending		
				2013–2014	2014–2015	2015–2016
Total	54.1	58.6	58.1	57.7	57.4	57.4

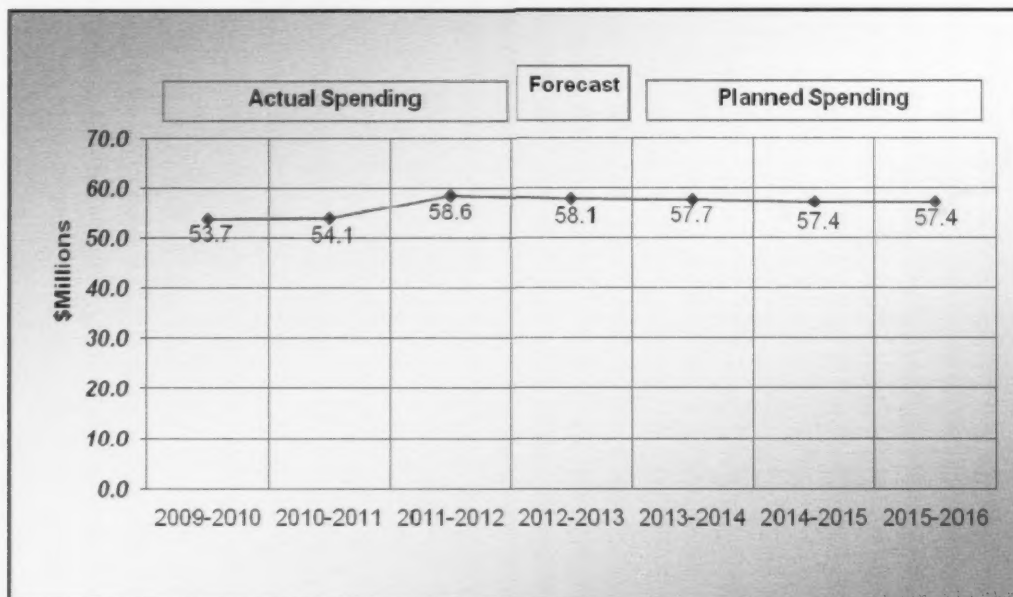
Program	Actual Spending 2010–2011	Actual Spending 2011–2012	Forecast Spending 2012–2013	Planned Spending		
				2013–2014	2014–2015	2015–2016
Internal Services	15.0	15.4	16.5	13.4	13.3	13.3
Sub –Total	15.0	15.4	16.5	13.4	13.3	13.3

Expenditure Profile

Departmental Spending Trend

For the 2013-2014 fiscal year, the CRTC plans to spend \$57.7 million to meet the expected results of its programs in order to contribute to its strategic outcome.

The figure below illustrates the CRTC's spending trend from 2009-2010 to 2015-2016.



Total actual spending for fiscal years 2009-2010 to 2011-2012 includes all parliamentary appropriations and revenue sources: Main Estimates, Supplementary Estimates, Treasury Board Vote transfers and revenues from Part I broadcasting licence fees and telecommunications fees. The figures also include authorized operating budget carry-forward adjustments and temporary parliamentary funding received for the National DNCL related activities.

As of 2010-2011, the actual spending also includes the funding for the CRTC's activities related to Canada's anti-spam legislation (CASL), which was received at the end of the fiscal year. For 2011-2012, the increase in spending of approximately \$4.5M, versus 2010-2011, is due to the fact that this was the first year where funding was provided for CASL related activities for an entire fiscal year.

The forecasted spending in 2012-2013 includes Main Estimates (including CASL funding) and Supplementary Estimate amounts for items such as: authorized budget carry-forward, Vote transfers from Industry Canada (\$0.7 million for Spam Reporting Center) and from National Defence (\$0.1 million related to CASL activities) and temporary parliamentary funding received for the National Do Not Call List related activities.

For fiscal years 2013-2014 to 2015-2016, the total planned spending corresponds to the planned vote-netted revenues³ and all parliamentary appropriations (with the exception of supplementary funding and carry forward adjustments which are not known at this time). These amounts do not take into consideration the planned spending reductions of at least 5% described in the Planning Summary.

For 2013-2014, ongoing funding for the CRTC's National Do Not Call compliance and enforcement activities is included in these totals, which as of April 1, 2013, will be cost recovered by fees assessed to telemarketers as part of the CRTC Unsolicited Telecommunications Fees Regulations.

For 2013-2014 and onward, the CRTC parliamentary appropriations for the activities related to the CASL will be reduced by \$0.4 million as a result of the expenditure reduction announced in Budget 2012.

Estimates by Vote

For information on our organizational appropriations, please see the [2013-14 Main Estimates](#) publication.

³ Vote netted revenues pertain to CRTC Part I broadcasting licence fees, CRTC telecommunications fees and unsolicited telecommunications fees.

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome

Canadians have access to a world-class communications system. The two programs that support the achievement of this long-term outcome include 1.1 Canadian Content Creation and 1.2 Connection to the Communication system.

In its 2012-2015 Three-Year Plan released in September 2012, the CRTC set out three pillars supporting the achievement of its mandate:

Create - ensure that Canadians have access to compelling creative content, from diverse sources, on a variety of platforms. In particular, the CRTC encourages the creation of programming that reflects Canada's diversity and enables Canadians to participate in their country's democratic and cultural life.

Connect - ensure that Canadians can connect to quality and innovative communication services at affordable prices and can have access to creative content. This includes services that facilitate access to the communication system by Canadians with disabilities.

Protect - enhance the safety and interests of Canadians by promoting compliance with and enforcement of its regulations, including those relating to unsolicited communications. The CRTC also ensures that Canadians have access to emergency communication services, such as 911 services and public alerting systems.

In 2013, the CRTC will propose an additional program to its PAA for 2014-2015. This program will encompass activities related to *Protect*.

Program 1.1 Canadian Content Creation

Program Description

This program focuses on ensuring that a wealth of Canadian content is created and made available to all Canadians on a variety of platforms. Through its orders, decision, licensing frameworks and other regulatory activities, the Canadian Radio-television and Telecommunications Commission encourages the creation of diverse programming that reflects the attitudes, opinions, ideas, values and artistic creativity of Canadians. By requiring the inclusion of Canadian content in entertainment programming, and the provision of information and analysis concerning Canada, the CRTC is enabling Canadians to better participate in their country's democratic and cultural life.

Financial Resources (\$ millions)

Total Budgetary Expenditures (Main Estimates) 2013-14	Planned Spending 2013-14	Planned Spending 2014-15	Planned Spending 2015-16
20.9	20.9	20.8	20.8

Human Resources (Full-Time Equivalents)

2013-14	2014-15	2015-16
154	154	154

Performance measurement

Program Expected Results	Performance Indicators	Targets
Canadians have access to compelling, creative Canadian content, from diverse sources, on a variety of platforms.	Percentage increase of total sums invested in both Canadian programming and Canadian Content Development (CCD).	Increase the sums invested in Canadian content by 2% per year.

Sub-program Expected Results	Performance Indicators	Targets
1.1.1 Diverse Canadian Content Canadians can access diverse Canadian content on a variety of platforms.	Percentage of television audience share, including discretionary and over-the-air services, controlled by one entity. Number of sources of local and regional news and information to which Canadians have access to in their community. Percentage increase in number of Canadian radio stations, television stations and specialty services providing content to Canadians in official and minority languages.	Limit growth of audience share controlled by one entity beyond 35%, without exceeding 45%. Minimum of 2 sources from separate owners, including television, radio, weekly newspapers, online publications and blogs. Increase the number of Canadian stations and services offering content to Canadians by 1% per year.

1.1.2 Compelling Canadian Content Canadians can access Canadian programming that is compelling and reflective of Canadian values and attitudes.	Percentage of Canadian (English and French) musical selections presented on English and French radio; Percentage of French (Canadian or otherwise) vocal music selections presented on French radio. Number of Canadian television programs that are viewed by more than 1 million Canadians in a given year.	Maintain a minimum of 35% Canadian (English and French) music selections on English and French radio; Maintain a minimum of 65% French vocal music selections on French radio. Increase the number of Canadian television programs that are viewed by more than 1 million Canadians by a percentage to be determined after 1 full year of monitoring to determine base level of measurement.
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Planning Highlights

Review broadcasting exemption orders

To reduce the administrative burden for broadcasters, the CRTC creates exemption orders for classes of licence, if it is satisfied that issuing licences to that class of licensees would not contribute in a material manner to the objectives of the *Broadcasting Act*. The CRTC also conducts periodic reviews of its exemption orders to assess their continued effectiveness. In 2013-14, the Commission will complete its review of the current radio exemption orders, and then initiate a process to consider whether other classes of radio licences should be exempt. The Commission will also continue to review other exemption orders with a view to simplifying and streamlining wherever possible.

Resolution of industry disputes

Canadians benefit when the commercial relations among broadcasting and telecommunications entities function properly. The CRTC has established dispute settlement practices and procedures for staff-assisted mediation, final offer arbitration, and expedited hearings for bilateral broadcasting and telecommunications matters that come under its regulatory purview. In 2013-2014, the CRTC will re-examine these practices and procedures for each of the mechanisms to assess whether they remain well-designed, and contribute to resolving disputes in a timely manner.

Accessibility

The CRTC's goal is to make sure all Canadians, including vulnerable populations, have reasonable access to communication services such as mobile wireless handsets, customer information and support, emergency telecommunication services, mobile wireless services, customer information and support, closed captioning, and described video and audio description. In 2013-14, the CRTC will continue to work on joint project undertakings with broadcasters, distributors, telecommunication providers and representatives from the disability community to foster a greater understanding of this goal and share best practices to help meet the goal.

Monitoring, Data collection and Reporting

To ensure that consumers and communication providers have an accurate picture with respect to quality, choice and affordability of communication services offered in Canada, the CRTC monitors and reports on the performance of the Canadian communications industry in annual Communications Monitoring Report (CMR) released in September of each year. Data in the report helps the CRTC with early identification of potential gaps in its regulatory frameworks may not remain appropriate under the current market conditions. The CMR is cornerstone document that is relied upon for key decision making within and outside the CRTC. It also enhances public participation in the CRTC's proceedings. In 2013-2014, the CMR will provide more information and be organized in a manner that is more useful from the consumer's perspective, while continuing to gather this information in a manner which minimizes the burden on industry.

Program 1.2 Connection to the Communication system

Program Description

The CRTC facilitates the orderly development of a communication system for all Canadians in order to strengthen the social and economic fabric of Canada and enhance the safety and interests of Canadians. This program focuses on ensuring that Canadian can connect to a choice of accessible, innovative and quality communication services at affordable prices, and can have access to compelling and creative Canadian content. Through this program, the CRTC promotes compliance with enforcement of its various laws and regulations, including unsolicited communications. It helps to ensure that Canadians have access to emergency communication services such as 9-1-1 and alerting systems. As a result, Canadians have increased protection and benefit from a more secure communication system.

Financial Resources (\$ millions)

Total Budgetary Expenditures			
(Main Estimates)	Planned Spending	Planned Spending	Planned Spending
2013-14	2013-14	2014-15	2015-16
23.4	23.4	23.3	23.3

Human Resources (Full-Time Equivalents)

2013-14	2014-15	2015-16
168	168	168

Performance measurement

Expected Results	Performance Indicators	Targets
1.2 Connection to the communication system Canadians have access to quality and innovative communication services at affordable prices.	Percentage of households that have access to A) three or more service providers for broadband Internet service; B) four or more broadcasting distribution undertakings.	A) 50%; 5% annual increase thereafter; B) 50%; 5% annual increase thereafter.

Sub-program Expected Results	Performance Indicators	Targets
1.2.1 Quality communication services All Canadians have access to innovative and quality communication services.	Percentage of households that have access to broadband speeds of at least 5 megabits per second (Mbps) downstream and 1 Mbps upstream. A) Percentage of English and French television programs that are closed-captioned; B) Percentage of television services in compliance with their conditions of licence regarding video-described programming. Number of complaints received regarding the loudness of television commercials.	More than 90% (March 31, 2013) More than 93% (December 31, 2014) 100% (December 31, 2015) A) 100% of English and French television programs are closed-captioned; B) 100% of television services with conditions of licence regarding video-described programming are in compliance with those conditions. 10% reduction
1.2.2 Affordable communication services Canadians are able to connect to communication services that are affordable and provide value.	Percentage of households that have access to telephone service at a monthly rate of \$30 or less.	More than 95%
1.2.3 Safety-enhancing communication services The Canadian communication system enhances the safety of Canadians.	Number of broadcasters participating in public alerting system. Percentage of Canadian households that have access to 9-1-1 service.	Commitment by one or more licensee to distribute alerts on a national basis. More than 96%
1.2.4 Unsolicited commercial communications Canadians will be protected from unsolicited commercial communications.	Volume of spam prevented. Percentage of Canadians who report receiving a year-over-year reduction in telemarketing calls.	To be determined once legislation has been in force for one full year. More than 80%

Planning Highlights

Numbering resources management

Growth in the telecommunications subscriptions has resulted in the need for additional telephone numbers across Canada. The Canadian Numbering Administration, on behalf of the CRTC, constantly monitors the availability of telephone numbers in each area code. As needed, the CRTC establishes planning committees to develop proposals to deal with anticipated number shortages. Plans to deal with number shortages for area codes 226/519 (southern Ontario), and 403/587/780 (Alberta) are underway. In 2013-2014 new area codes will be introduced where telephone numbers are nearly exhausted: 250/604/778 (British Columbia), 306 (Saskatchewan), and 819 (Québec).

Model municipal access agreement

Competition in the provision of telecommunications services has led to an increasing number of carriers requesting access to municipal properties for purposes of installing, operating, and maintaining telecommunications facilities. This demand has resulted in municipalities and carriers negotiating and entering into multiple municipal access agreements (MAA). The CRTC Interconnection Steering Committee (CISC) will develop the terms and conditions to be included in the model MAA which could be used as a standard base to benefit carriers and municipalities. In 2012, the CISC started to work on these terms and conditions, which it intends to complete in 2013-2014.

Retail and competitor tariff notices and intercarrier agreements

The CRTC receives over 500 tariff notices and requests for approval of agreements between companies concerning the interconnections of telecommunications networks or the provisions of certain services annually. Tariff notices may relate to the introduction of a new service, a change in rate or condition of service, or the withdrawal of a service for which there is no longer demand or has been replaced by a new functionality. In 2013-14, the CRTC will continue to review these tariff notices and agreements to ensure they comply with relevant regulations and policies.

Internet Traffic Management Policy - Enforcement

In response to complaints, the CRTC strengthened the application of its enforcement guidelines for Internet traffic management practices (ITMPs). The CRTC's policy concerning the use of ITMPs requires ISPs to inform consumers of their practices so that they can make more informed decisions about the Internet services they purchase and use. To ensure that its ITMP policies remain effective, the Commission will continue to monitor industry practices, both domestically and internationally.

9-1-1 Enhancements

The CRTC seeks to enhance Canada's 9-1-1 system and to ensure it works effectively across emerging telecommunications platforms. In 2013-2014, the CRTC will work with stakeholders to implement a new service that will provide access to 9-1-1 services for hearing or speech impaired persons via text messaging. An Inquiry Officer will also look into issues relevant to 9-1-1 for both existing and advanced network services across Canada. To promote public safety, the CRTC required voice over Internet protocol (VoIP) telecommunications providers that offer local voice telephony to offer 9-1-1 services to their customers and inform them of any

limitations associated with their service. The CRTC will continue to educate new local VoIP providers to ensure that they understand and comply with these obligations.

Spam Reporting Centre (SRC)

To implement its enforcement responsibilities for Canada's anti-spam legislation, the CRTC will launch the Spam Reporting Centre in 2013-2014. The Centre will enable Canadian Internet users to report instances of spam, malware, and a host of other violations listed in the new anti-spam legislation. The SRC will also begin collecting baseline data and conducting trend analysis for email and SMS data feeds.

Loudness of commercials - Enforcement

In response to complaints, the CRTC required the broadcasting industry to adopt measures to ensure that television commercial messages and regular programming are broadcast at an even volume by September 1, 2012. The CRTC will ensure its loudness regulations remain relevant by monitoring the implementation of similar measures in the U.S. and changes to technical standards. In 2013-14, the CRTC will enforce these regulations through the following measures: publishing complaint information, responses and/or findings of non-compliance; imposing regular reporting requirements, which would include reasons for non-compliance and steps to be undertaken in order to become compliant; addressing repeated non-compliance offenders at licence renewals; and/or taking steps to issue a mandatory order for corrective measures.

Emergency Alerting

In order for Canadians to receive timely warnings of imminent perils, the CRTC will continue to monitor and encourage the participation of the communications industry in the National Public Alerting System. As part of licensing proceedings, the CRTC will seek commitment from broadcasters and broadcast distribution undertakings to distribute alerts to the public, and will review the modalities and timeline for a public awareness campaign. The CRTC will also participate in the development of standards for alerting, particularly wireless public alerting.

International Activities

The CRTC ensures that its regulatory frameworks are forward-looking, effective and efficient, keeping in step with a rapidly evolving communication environment that transcends national borders. To support this goal, the CRTC will continue to work closely with Canadian counterparts, participate in research activities such as the studies by the International Telecommunications Union (ITU) and the Organization for Economic Cooperation and Development (OECD), and develop strategic international and domestic partnerships.

Internal services

The CRTC will develop and implement a more strategic and systematic planning and reporting framework. To achieve this, the CRTC will review and document its internal financial systems and controls to ensure the ongoing integrity of resource management. It will renew its *Three Year Plan* for 2013-16, update its performance measurement framework, create and implement an Integrated Business Plan, Information Management/Information Technology Strategic Plan, Investment Plan and Corporate Risk Profile. It will update and implement the Departmental Security Plan and Business Continuity Plan, continue to implement its *Human Resources*

Strategic Plan 2013-2016, and manage the relocation of both its Montreal and Regina Regional Offices in 2013-2014. The CRTC will also redesign its website in a manner that is compliant with Government of Canada standards for accessibility, plain language and is organized with the end-user in mind.

Financial Resources (\$ millions)

Total Budgetary Expenditures			
(Main Estimates)	Planned Spending	Planned Spending	Planned Spending
2013-14	2013-14	2014-15	2015-16
13.4	13.4	13.3	13.3

Human Resources (Full-Time Equivalents)

2013-2014	2014-2015	2015-2016
116	116	116

Section III: Supplementary Information

Financial Highlights

Future-Oriented Condensed Statement of Operations and Departmental Net Financial Position

For the Year (ended March 31)

(\$ millions)

	\$ Change	Forecast 2013-14	Estimated Results 2012-13
Total expenses	0.6	63.5	62.9
Total revenues	2.9	46.5	43.6
Net cost of operations before government funding and transfers	(2.3)	17.0	19.3
Departmental net financial position	3.8	1.2	(2.6)

Future-Oriented Condensed Statement of Financial Position

For the Year (ended March 31)

(\$ millions)

	\$ Change	Forecast 2013-14	Estimated Results 2012-13
Total net liabilities	(2.8)	8.0	10.8
Total net financial assets	0.2	4.3	4.1
Departmental net debt	(3.0)	3.7	6.7
Total non-financial assets	0.8	4.9	4.1
Departmental net financial position	3.8	1.2	(2.6)

Future-Oriented Financial Statements

<http://www.crtc.gc.ca/eng/publications/reports/fin13a.htm>

List of Supplementary Information Tables

All electronic supplementary information tables listed in the 2013-2014 Report on Plans and Priorities can be found on the CRTC's website.

- ▶ Sources of Respendable and Non-Respendable Revenue

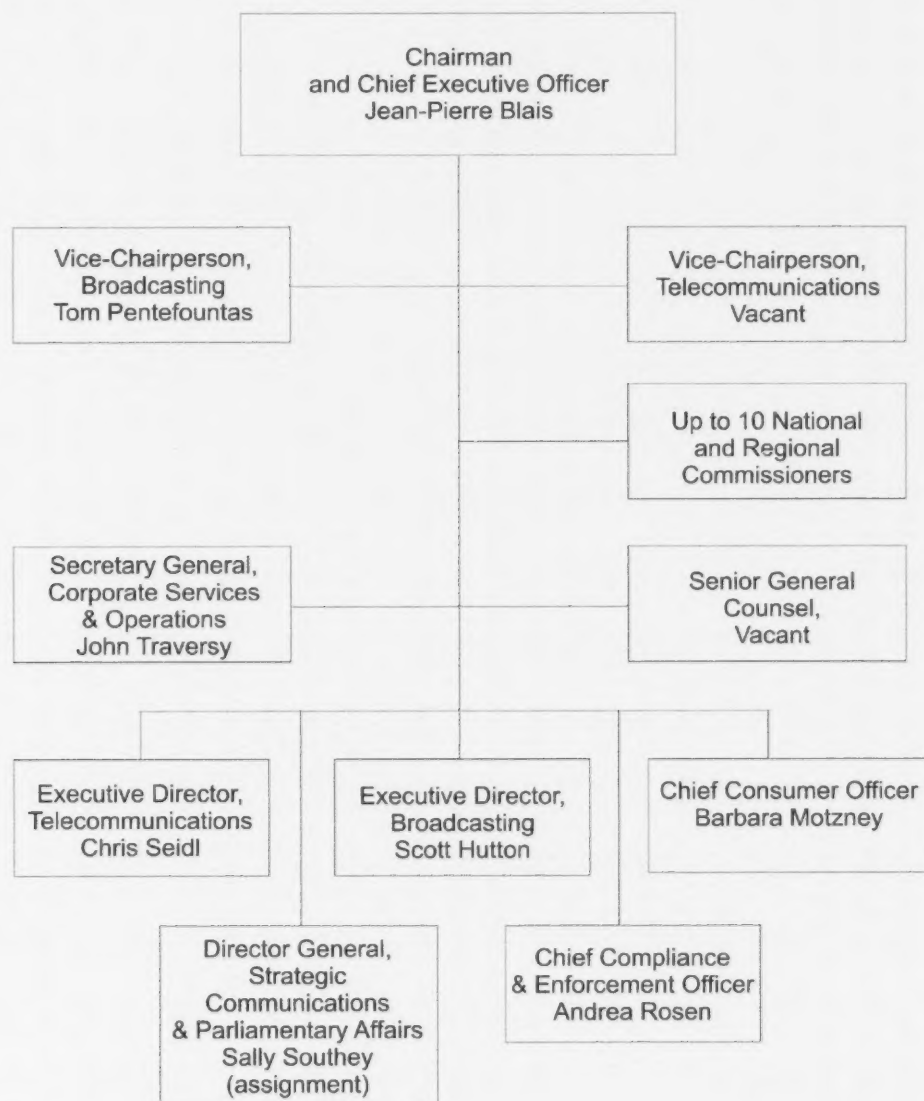
Tax Expenditures and Evaluations Report

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the Tax Expenditures and Evaluations publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

Section IV: Other Items of Interest

Organizational Chart

The CRTC can have up to 13 commissioners from across Canada, including the Chair and two Vice-chairs. It currently has 440 employees working in the National Capital Region and seven regional offices.



Additional Information

In 2012, the CRTC's administrative structure was re-organized with the creation of a Consumer Affairs and Strategic Planning sector, and the appointment of a Chief Consumer Officer. The role of this position is to better understand the concerns of Canadian consumers and bring them to the Commission's attention in all of the CRTC's activities, including during its decision-making processes.

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Endnotes

Supplementary Information Tables

<http://www.crtc.gc.ca/eng/publications/reports/rpps/rpp2013.htm>

Tax Expenditures and Evaluations

<http://www.fin.gc.ca/purl/taxexp-eng.asp>